



VIDEO LOTTERY FACILITY LOCATION COMMISSION

**PPE Casino Resorts Maryland LLC Proposal for a  
Video Lottery Operation License**

**Decision Statement**

**December 7, 2009**

**Summary of Proposal**

The Video Lottery Facility Location Commission has reviewed and evaluated the proposal for a Video Lottery Operation License submitted by PPE Casino Resorts Maryland, LLC (PPE Casino Resorts or applicant) to own and operate a video lottery facility in Anne Arundel County, Maryland. PPE Casino Resorts has proposed a facility for 4,750 video lottery terminals (VLTs) to be located at the intersection of Route 100 and Arundel Mills Boulevard, located within two miles of Route 295, at Arundel Mills Mall in Hanover, Maryland.

PPE Casino Resorts has paid the required initial license fee of \$28.5 million for 4,750 VLTs. PPE Casino Resorts proposes to invest \$243.0 million in construction and related costs to acquire land and construct an approximately 215,000 square foot video lottery facility, including a 125,000 square foot gaming floor, at the proposed location. The facility is scheduled to open in December 2011. (See "License Proposal Fact Sheet" for additional information)

**Proposal Evaluation**

In evaluating the proposal, the Video Lottery Facility Location Commission was guided by the statutory criteria and the best interests of the State. Under §9-1A-36(k) of the State Government Article, the commission must evaluate the following factors in awarding a license: business and market factors (70% weight); economic development factors (15% weight); and location siting factors (15% weight).

The commission's review of the proposal included a market analysis of competitive facilities in the region and the estimated revenue potential of a facility at the proposed site; an economic impact analysis of the potential jobs and spending generated by a facility at the proposed site; and an analysis of the proposal's financial viability. The commission made numerous inquiries of PPE Casino Resorts and commission staff, including the staff's consultant. The commission also conducted a visit to and public hearing for the proposed facility site on September 9, 2009. At the commission's request, the State Highway Administration of the

Maryland Department of Transportation reviewed the traffic impact study submitted by the applicant and provided comments to the commission.

As required by §9-1A-36(m)(3) of the State Government Article, the commission cannot award a license until the State Lottery Commission has found the applicant and applicant's principals qualified to hold a video lottery operation license. On September 30, 2009, the State Lottery Commission notified the Video Lottery Facility Location Commission that PPE Casino Resorts and its principals, Joseph Weinberg, Jonathan Cordish, and Charles Jacobs, who are also principals of the Cordish Company, are qualified under §§9-1A-07(c) and 9-1A-08(d) of the State Government Article. The qualifying criteria include the applicant's financial stability, integrity, and responsibility; good character; business ability and experience; and execution of labor peace agreement(s). The commission has reviewed the investigative report prepared by the Spectrum Gaming Group for the State Lottery Commission.

## **Decision**

The Video Lottery Facility Location Commission has determined that the applicant has met the applicable requirements of Title 9, Subtitle 1A – Video Lottery Terminals – of the State Government Article, Maryland Annotated Code. The commission finds that there were no material omissions or deficiencies in the proposal.

Although the global recession and tightened financial/capital markets dampened competition for video lottery facilities in Maryland, the commission finds that PPE Casino Resorts and its ultimate parent the Cordish Company, which has developed numerous gaming, entertainment, and retail venues throughout the country, represent a strong management team and possess more than sufficient financial and business resources to operate a successful video lottery facility. Further, the commission's evaluation of the proposal finds that PPE Casino Resorts' proposed facility will provide substantial revenues and jobs to the State of Maryland, Anne Arundel County, and the local community.

The commission is aware that required zoning legislation has not been enacted by the Anne Arundel County Council. However, after evaluating all of the factors as required by State law, the commission finds that award of a license to PPE Casino Resorts Maryland, LLC is in the public and best interest of the State. Therefore, under the authority granted to the Video Lottery Facility Location Commission by the Governor and General Assembly in §9-1A-36 of the State Government Article, the commission hereby awards a Video Lottery Operation License for 4,750 video lottery terminals to PPE Casino Resorts Maryland, LLC, contingent on zoning approval.

The commission is also aware of several infrastructure concerns that have been raised by residents of communities adjacent to Arundel Mills Mall. Assuming zoning approval is granted, the commission expects that PPE Casino Resorts, Anne Arundel County, the State Highway Administration, and other State and local agencies will work collaboratively to ensure that the necessary infrastructure is in place before the State Lottery Commission ultimately issues the operation license.

The license incorporates the requirements of the commission's request for proposals #2009-0101 (RFP) released December 19, 2008; the applicant's proposal (February 2, 2009 initial submission and April 15, 2009 supplemental submission) in response to the RFP, the applicant's amendment to the proposal received August 28, 2009, and all correspondence and written responses to inquiries received by commissioners or commission staff. Any exceptions contained in the applicant's proposal are unenforceable and not legally binding.

**Motion**

To approve the above Decision Statement and award a Video Lottery Operation License for 4,750 video lottery terminals to PPE Casino Resorts Maryland, LLC, contingent on zoning approval.

Motion By: Neall

Seconded By: Read

	AYE	NAY	ABSTAIN	ABSENT
Chairman Donald C. Fry	[ <input checked="" type="checkbox"/> ]	[ ]	[ ]	[ ]
Commissioner Thomas Barbera	[ ]	[ <input checked="" type="checkbox"/> ]	[ ]	[ ]
Commissioner Robert Neall	[ <input checked="" type="checkbox"/> ]	[ ]	[ ]	[ ]
Commissioner Ella Pierce	[ <input checked="" type="checkbox"/> ]	[ ]	[ ]	[ ]
Commissioner D. Bruce Poole	[ ]	[ <input checked="" type="checkbox"/> ]	[ ]	[ ]
Commissioner Linda Read	[ <input checked="" type="checkbox"/> ]	[ ]	[ ]	[ ]
Commissioner James Taylor	[ <input checked="" type="checkbox"/> ]	[ ]	[ ]	[ ]

Chairman's Signature: 

Date: 12/7/09

Recorder's Signature: Rachel HSO